

M/037/0040
CC: Tom

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

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LARGE MINING OPERATIONS 2009 PROGRESS REPORT
January 1, 2009 to December 31, 2009

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: UTU68060
2. Mine Name: Velvet Mine
3. Name of Operator/Permittee: Uranium One Exploration Inc.
 Note: If Operator's address, company representative or phone number have changed, please provide a replacement page for the Notice of Intention together with form MR-REV available on the Division's web page at https://fs.ogm.utah.gov/pub/mines/minerals_related/forms/MR-REV.pdf.
4. Mine Location: T31 S, R25E, SW1/4 of Sec. 3, San Juan County, UT
5. Report the gross amount of ore mined and waste moved, and the disposition of the materials (onsite stockpiles, sold, waste pile, regraded, etc.):

Gross Ore Mined	<u>0</u>	Tons, or	<u> </u> yd ³
Waste Material Moved	<u>0</u>	Tons, or	<u> </u> yd ³
New Disturbance	<u>0</u>	Acres during 2009	
Area Reclaimed	<u>0</u>	Acres during 2009	
Total Disturbed Area	<u>22</u>	Acres*	

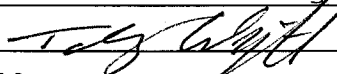
*Total mine disturbance from the beginning of mining operations through the end of 2009.

Was the ore shipped off site? If not, where is the ore located?
None mined, stored or shipped in 2009.

Where is the waste located? No new mine waste generated,
historic wastes reclaimed on-site prior to 2009.

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE (https://fs.ogm.utah.gov/pub/mines/minerals_related/forms/MR-SITE.pdf) to apply for full or partial bond/site release).
No reclamation work performed in 2009.
7. For large mines, include an updated map depicting surface disturbance and reclamation performed during the year (Rule R647-4-105).

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): Toby Wright
 Title of Operator: Environmental Manager
 Signature of Operator: 
 Date: 12/31/09

RECEIVED**JAN 05 2010**

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December 31, 2009

Paul Baker
Department of Natural Resources
Division of Oil, Gas and Mining
Minerals Section
PO Box 145801
Salt Lake City, UT 84114-5801

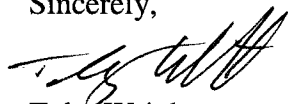
Re: Uranium One Exploration Inc. Large Mining Operations 2009 Progress Report for the Velvet Mine,
UTU-68060.

Dear Mr. Baker;

Attached is the Division of Oil, Gas and Mining (Division) form MR-AR-LMO summarizing the 2009 production and reclamation activities in 2009 for the Velvet Mine. There was no physical development, maintenance, reclamation activities or any new surface disturbances of any kind at this mine in 2009. The mine remains essentially fully reclaimed with a full reclamation bond in place. Uranium One has no immediate plans to move forward with this project and has committed to the Division that no mining will take place until a new Plan of Operations and updated reclamation bond is approved by the Division.

Should you have any questions or need additional information regarding this issue, please feel free to contact me at (970) 231-1160 or toby.wright@uranium1.com.

Sincerely,



Toby Wright
Environmental Manager
Uranium One USA

Cc: Larry Trimble w\ enclosures
File w\ enclosures

RECEIVED
JAN 05 2010

DIV. OF OIL, GAS & MINING

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3801 Automation Way
Suite 100 • Fort Collins
Colorado • 80525
www.uranium1.com



Enclosures:

Telco Environmental LLC report
Corporate Officer Declaration
Documentation of notification of testing
CD with electronic copies of submittals

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